

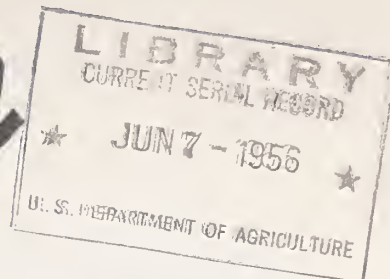
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Foreign

CROPS AND MARKETS



FOR RELEASE MONDAY, JUNE 4, 1956

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L A T E N E W S

Higher minimum support prices for 1956-57 crop oilseeds have been announced by the Argentine Government, as follows, in pesos per 100 kilograms, flax-seed 165; peanuts 190; sunflower seed 135.

FOREIGN CROPS AND MARKETS

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NICARAGUAN CIGARETTE OUTPUT UP

Cigarette output in Nicaragua in 1955 totaled 778 million pieces, compared with 724 in 1954, and 9.5 percent below the 1952 record high of 850 million. Production of cigarettes in 1955 was 40.7 percent greater than the annual average of 1947-51.

IRISH TOBACCO DUTY INCREASE

Duties on unmanufactured tobacco imported into Ireland were increased 7s. 11d. (U.S. \$1.11) per pound effective May 8, 1956. The increased duty on tobacco was one of the measures taken by the Minister of Finance to help improve the country's financial position. The increased duty was also levied on all stocks of unmanufactured and manufactured tobacco held by manufacturers at the close of May 8. The duty rate on the principal classification of leaf tobacco imports from the United States was raised to the equivalent of U. S. \$5.99 per pound from the previous level of U. S. \$4.88. Retail prices of tobacco products were increased to reflect the additional customs duty, effective May 14. Retail prices of the most popular brands of cigarettes were increased by the equivalent of 5.9 U. S. cents per pack of 20. Prices for smoking tobacco were increased about 7.0 U. S. cents per ounce, except hard pressed varieties which were increased 4.7 U. S. cents. New prices for plug and long square tobaccos range from 30.9 to 36.8 U. S. cents.

PHILIPPINES TO EXPORT
FLUE-CURED TOBACCO

The Philippine Tobacco Flue-curing and Redrying Corporation announced on May 12 that it is making the first export shipment of flue-cured tobacco. The corporation has been authorized to export 30,000 pounds this year.

LARGER U. S. IMPORTS OF TURKISH TOBACCO
FROM SOUTHERN RHODESIA EXPECTED

Recent reports from Salisbury indicate that a United States Company has signed contracts to increase the area devoted to Samsun (Turkish) to 2,000 acres for sale in 1957. On the basis of recent yields this acreage should produce about 1.2 million pounds of leaf tobacco. About 800 acres were under contract for the 1955-56 season with a production ranging from 500,000 to 600,000 pounds (unmanipulated). Apparently, extensive efforts will be made to increase production in the next few years to fully utilize the present facilities, which handle fermentation and blending up to 5 million pounds annually. The company furnishes seed to growers (both European and native), who sign contracts to deliver the harvested crop ungraded at fixed cash prices. The U. S. company guarantees to pay the following prices per pound for ungraded and unmanipulated leaf from the 1955-56 crop.

<u>Grades</u>	<u>Rhodesian pence</u>	<u>U. S. cents</u>
No. 1	45	52.5
No. 2	40	46.7
No. 3	35	40.9
No. 4	25	31.2
No. 5	20	23.3
Kappa	12	14.0

In addition to the Samsun, approximately 250,000 pounds of Solouk is expected to be harvested in 1956.

RHODESIAN POLICY REGARDING FLUE-CURED TOBACCO

The Rhodesian Minister of Agriculture has stated it is the policy of the Federal Government to assist growers in their present marketing problem. The marketing of a considerable portion of the 1956 harvest of flue-cured at lower prices than last year has caused wide concern. The Rhodesian Tobacco Association has requested the Federal Government to appoint trade commissioners to intensify efforts to sell flue-cured tobacco in continental European countries, and in countries of Southeast Asia with which the Federation has unfavorable trade balances. This was not necessary previously because of a production insufficient to fully meet the agreed takings by the United Kingdom. As a result of record production accompanied by lower prices, some success may be attained from these added efforts. It is quite probable that the Federal Government will play a more important role in this regard in the near future.

If a trade commission is sent to East Germany, as reports indicate is likely to be the case, it will undoubtedly be expected to trade or sell flue-cured tobacco in exchange for East German industrial goods. In 1955, for the first time since 1938, 7,000 and 25,000 pounds of flue-cured tobacco was shipped to Czechoslovakia and Hungary, respectively.

A mission to Japan is expected to leave the Federation on May 25 with full powers to negotiate agreements. Visits to Denmark, Indonesia, Hong Kong and Singapore are also planned. Also, this year approximately 13 million pounds of Rhodesian tobacco will be admitted free into the Union of South Africa instead of the guaranteed minimum of 3 million pounds.

URUGUAY CONTRACTS TO DELIVER 320,000 METRIC TONS OF WHEAT TO BRAZIL in 1956

Representatives of the Brazilian and Uruguayan Government signed an agreement on April 27 under which Brazil committed itself to purchase 265,000 metric tons of wheat and 40,000 tons of flour from Uruguay during the 1956 calendar year, a total grain equivalent of 320,000 tons (11.8 million bushels). This purchase was negotiated under the terms of the 3-year bilateral barter agreement signed by the two countries late in 1953.

Brazil's agreement to purchase the equivalent of 320,000 tons of Uruguayan wheat in the 1956 calendar year compares with the total of 300,000 tons which it agreed to purchase from that country in 1955. The prices to be paid by Brazil for the 1956 deliveries have not been announced as yet, but it is believed that they will be substantially under those paid for the 1955 deliveries. The latter have been reported at US\$71.25 per metric ton for wheat and \$150.51 per ton for flour. The 1955 prices for shipments to Brazil were said to have been higher than those quoted by Uruguay for shipments that year to other countries, because of a desire to compensate for the prices charged for commodities which Uruguay purchased from Brazil.

Uruguay's January 1, 1956 carry-in stocks were placed at 130,400 tons and the new crop at 825,000 tons. The year's requirements for human consumption, seed and feed are estimated at 400,400 tons. Allowing 80,000 tons for a December 31, 1956 carry-out, the amount which the Government plans to hold as a hedge against a short crop next harvest, leaves a surplus of 475,000 tons for export during the 1956 calendar year.

With the completion of the agreement with Brazil, virtually all of the 1956 export availabilities has either already been exported or contracted for export. In addition to the agreement with Brazil, reports indicate that agreements have also been made to export wheat in 1956 to Yugoslavia, Switzerland, Ecuador, Bolivia and Czechoslovakia. During the 1955 calendar year, the country's wheat and flour exports totaled 496,800 metric tons, of which 394,100 tons were wheat and 102,700 tons flour (wheat equivalent). Brazil took the bulk of the exports, but substantial quantities were sold also to the United Kingdom, Peru, Denmark, and Poland.

FURTHER RESTRICTIONS TO ECUADOR TRADE

In a new series of measures last month Ecuador further restricted its import trade and took steps to encourage exports of bananas. A long list of products were transferred from list 1 to list 2 and goods considered luxury or nonessential will be ineligible for the Central Bank free exchange rate of 17.40 to the dollar and must be imported with brokers free exchange. Exports of small Stems of bananas to Europe are encouraged by a reduction in the amount of foreign exchange required to be delivered to the Central Bank at the official rate. The principal deterrent to import trade appears to be the prohibition of advance payment and irrevocable letters of credit for imported goods. Henceforth, payment for imports cannot be made until arrival of the goods in the Ecuadoran port. This provision applies to all goods with the exception of agricultural products purchased under the P. L. 480 agreement with the United States. (See Foreign Crops and Markets, May 14, 1956)

FATS AND OIL SITUATION IN AUSTRIA

Austrian imports of vegetable and marine fats and oils, including oilseeds in terms of oil, are expected to total about 60,000 short tons in 1956, as compared with 63,000 tons last year. Oilseed and oil-bearing material imports as such, are forecast at about 4,400 tons, down slightly from the 4,700 tons imported in 1955.

Rapeseed is the only oilseed of any commercial importance produced in Austria, although some oil pumpkin is grown. Judging from official data on fall plantings, rapeseed acreage will be about 14 percent larger this year than last. This increase came in spite of a 6.25 percent cut, made in 1955, in the subsidized producer price for rapeseed sold to processors. With normal weather conditions in 1956, a crop of about 11,000 short tons of rapeseed and 3,800 tons of oil pumpkin seed may be in prospect.

Production of vegetable oils from the 1956 crop is forecast at about 5,300 tons, consisting of 4,200 tons of rapeseed oil and 1,100 tons of pumpkin seed oil. The total is only about 8 percent of the unofficial forecast of fats and oils requirements.

With consumer income high in 1956, consumption of edible fats and oils may be expected to continue upward, although not to as great an extent as last year. It is expected that approximately 45,000 tons of edible oils will be imported and will consist primarily of crude oils for processing.

Table 1 - AUSTRIA: Imports of vegetable fats and oils, and marine oils, annual 1954 and 1955
(Short tons)

Item	1954	1955
Coconut oil.....	4,868	7,364
Cottonseed oil.....	5,982	2,064
Linseed oil.....	4,958	5,089
Olive oil.....	800	978
Peanut oil.....	1,209	6,487
Palm oil.....	951	958
Palm kernel oil.....	1,916	2,304
Soybean oil.....	3,219	7,121
Sunflower oil.....	6,434	4,430
Marine oils.....	1,447	872
Hardened oils <u>1/</u>	13,214	13,520
Others <u>2/</u>	6,145	11,708

1/ May include small quantities of animal oils. 2/ Includes sesame, rape, castor, and tung oils, fatty acids, vegetable tallow, and unspecified edible fats and oils.

Source: Austrian Central Statistical Bureau.

In 1955 a large variety of oils was imported, with the bulk officially listed as "vegetable fats, oils and fatty acids for industrial uses". This group, however, includes not only fats and oils to be used for industrial purposes, but also large unspecified quantities, which upon further processing are made into edible food products. The major oilseeds imported in 1955 were those under the heading "pumpkin and sunflower seed", the total of which increased almost one-fourth from the previous year. Copra imports, which have been declining in recent years, were nil in 1955.

Table 2 - AUSTRIA: Imports of oilseed and oil-bearing materials, annual 1954 and 1955
(Short tons)

Item	1954	1955
Poppy seed.....	561	613
Mustard seed.....	613	785
Flaxseed.....	242	224
Pumpkin and sunflower seed.....	2,338	2,905
Hempseed.....	252	57
Others <u>1/</u>	402	160

1/ Includes, copra, rapeseed, soybeans and others.

Source: Austrian Central Statistical Bureau.

The sources of supply of the bulk of Austria's oils and oilseeds are other European countries. In this case, however, the countries of supply are not necessarily identical with the countries of origin. Considerable quantities of fats and oils of non-European origin are imported via other European Payment Union countries through switch deals.

An important development which should facilitate importation of oils from the United States, was the dollar liberalization which was made effective July 15, 1955. This covered a large variety of oils for food and non-food uses.

Exports of both oilseeds and vegetable fats and oils are negligible.

In 1955 food consumption of vegetable fats and oils in Austria was up about 10 percent from the previous year. This was due only partially to a genuine shift in dietary habits. To some extent it is the result of a temporary shortage of lard, which in turn was due to the strong resistance of some sections of the livestock industry against imports of lard.

MALAYAN PINEAPPLE PRODUCTION INCREASES

Malayan pineapple production has now reached a level of 28,000 short tons, as compared with their prewar production of 76,000 tons in 1937-38. World War II and the occupation of Malaya completely destroyed the pineapple industry, which at the outbreak of war embraced 17 canneries and about 60,000 acres in production.

During the period 1920 through about 1938, it was possible to obtain land for pineapple at a nominal cost. The pineapples were interplanted with young rubber trees. During this period the entire emphasis was placed on a low cost operation. A 16-ounce can would retail at 4 to 5 cents, and all of the pineapple could be sold regardless of quality.

Now the major emphasis is placed on producing a high quality pack. The three grades are choice golden, standard, and white. About 30 to 40 percent of the pack is choice, 45 to 60 percent standard, and about 20 percent white. The third grade is in demand in the middle east, where the tougher texture of the white fruit is preferred to the higher grades of choice and standard.

Exports of canned pineapple rose from approximately 200,000 cases in 1948 to 850,000 cases in 1953. Present production is about $1\frac{1}{4}$ million cases of canned pineapple a year. The growers and canners are striving for a better balance between the small growers and the large estate growers to establish fair prices, to improve the canning operations and the utilization of by-products. The cost of producing pineapples has increased, because the growers can no longer obtain land virtually rent free from the plantations growing rubber trees.

MARCH SUEZ CANAL SOYBEAN TRAFFIC HIGHEST SINCE JULY 1951

Northbound soybean traffic through the Suez Canal reached a total of 3.6 million bushels in March of this year. This is an increase of more than 80 percent from the same month last year and the biggest monthly total since July 1951. Total shipments for January through March of this year were 7.3 million bushels as compared with 6.5 million during the same period in 1955.

In reaching a total of 313,000 short tons in March, oil-bearing materials passing northward through the canal surpassed the 1933-37 average for the first time since the war. The big increase, besides that in soybeans, came in peanut shipments which, at 67,000 tons, were up 60 percent from the quantity shipped in the same month last year. According to Le Canal de Suez Bulletin, 56,000 tons of these peanuts were exported from China.

Northbound vegetable oil shipments through March totaled 150,000 short tons as compared with 154,000 tons during the same three months of 1955.

PAKISTAN RAISES PURCHASE
PRICE FOR HOME GROWN WHEAT

The Pakistan Government recently raised its purchase price for wheat grown in the normally surplus producing area of West Pakistan from the previously prevailing level of 8.75 to a new level of 10.00 rupees per maund (from \$1.34 to \$1.57 per bushel). The new price will apply to the crop just harvested (April-May) and until further notice. The Government's objective is to increase the domestic supply of wheat for its food distribution system, and to develop an emergency food grain reserve of 500,000 long tons (18.7 million bushels). The same decree raised the Government sales price of wheat to consumers from 12.00 to 12.25 rupees per maund (\$1.83 to \$1.87 per bushel) and the price of wheat flour from 12.75 to 13.00 rupees per maund (\$3.25 to \$3.32 per cwt.).

Recurring food crises in West Pakistan during recent years have necessitated the development of a system for emergency procurement and distribution of wheat to insure adequate supplies at reasonable price levels in consuming areas. The population of West Pakistan has been increasing at an annual rate of 1.1 percent. However, poor wheat crops in recent years have reduced the production of food grains, which provide about 60 percent of the area's food requirements. Prior to 1950, West Pakistan produced wheat for export. During the past 4 marketing seasons it has had to import an average of about 17.4 million bushels annually to assure minimum food requirements. Due partly to severe food damage to the 1956 crop and a need to replenish reserve stocks, wheat imports by West Pakistan are expected to reach or exceed 11 million bushels during the area's 1956-57 (May-April) marketing season.

During the current marketing season, the Government hopes to procure about 615,000 long tons (23 million bushels) of domestic wheat at the new procurement price, mainly from the former provisions of Punjab, Bahawalpur, Khairpur and Sind. The wheat will be procured from producers at delivery stations at the fixed government price on a voluntary delivery basis.

Government wheat stocks, obtained from domestic purchase and by imports, will provide the basis for its distribution program in emergency food areas in West Pakistan. Wheat and flour will be distributed through depots in deficit consuming centers to holders of ration cards at the official government sales price. The Government is empowered to place any area in an emergency status in the event that a restricted wheat supply under the free market system forces wheat and flour prices above desired levels. In such a case, free market movement may be prohibited, with the Government assuming full power over distribution in the affected areas.

The Government expects that a reserve of 500,000 long tons (18.7 million bushels) will supplement the existing procurement system to the extent that critical shortages in food supplies can be prevented and reasonable prices maintained for both producers and consumers. The hope is that with a sufficient reserve, wheat and flour prices can be maintained near the fixed levels by governmental purchases and imports and by sales of wheat and flour in consuming areas. It is expected that price and consumption of other food products, will tend to stabilize themselves in accordance with the prices fixed for wheat and flour. In order to stabilize the wheat supply, the wheat reserve, together with government procurement programs, must provide for variations in wheat production (ranging in recent years from 118 to 138 million bushels) and for domestic utilization ranging from 120 to 130 million bushels per annum.

CITRUS CONGRESS MEETS IN TEL AVIV

Seventeen countries, represented by 183 delegates, attended the opening session of the Fourth International Congress of Mediterranean Citrus Growers in Tel Aviv on May 20. Countries represented include Algeria, France, Spain, Great Britain, Tunisia, Morocco, Cyprus, Greece, Turkey, West Germany, Switzerland, New Zealand, Portugal, Brazil, Sweden, and Israel. Other delegations, including one from Russia, were expected to arrive later.

Speakers at the opening sessions stressed the need for good will between growers, and emphasized the necessity for aggressive salesmanship in order to market the increasing quantity of citrus production.

Various committees have planned discussions of the major phases of the industry, including the various aspects of production and marketing, technical problems, and international regulations.

During their 8-day visit, the delegates will visit Israel's citrus-growing areas and citrus exhibition at Beit Dagon, which is south of Tel Aviv.

SHORT IRANIAN ALMOND CROP FORECAST

For the second successive year, the almond crop in Iran has been seriously damaged by heavy spring frost. The 1956 crop is forecast at 3,300 short tons, or less than half of the five-year average (1949-53) of 7,400 short tons. The revised estimate of the 1955 crop is 4,400 short tons.

Iranian almond exports in 1955-56 are now estimated at approximately 2,800 tons. The season's export movement is believed completed, with exportable stocks exhausted. In 1954-55 exports amounted to 6,900 tons. The 1956-57 exportable surplus may be the smallest in several seasons, possibly less than 2,000 tons.

The contract price for delivery of 1956 crop shelled almonds in Tehran is currently about 65 cents per pound, more than double the contracted price of 30 cents for the 1955 crop.

OUTLOOK 1956 YUGOSLAV PRUNE CROP AND 1955 SUMMARY

It is reported from Yugoslavia that weather conditions have been favorable for the oncoming prune crop and forecasts at this time are for a normal crop. Average production (1949-53) is 16,200 tons. The severe winter conditions which existed in various parts of Yugoslavia apparently did not damage prune trees, although there was some damage to peach trees in low valleys. Spring was about 2 weeks late in most parts of the country; moisture supplies have been abundant.

The final Yugoslav estimate of the 1955 pack of dried prunes is 25,800 short tons. This compares with 9,200 tons in 1954. The final estimate of 1955 fresh prune and plum production is 996,000 short tons, compared with 450,000 tons in 1954.

Yugoslav dried prune exports in the 1955 calendar year were the highest since before the war. Exports totalled 32,403 tons, consisting of prunes of three crops -- 1953, 1954, and 1955. The Soviet Union reappeared as a customer for Yugoslav prunes, making purchases for the first time since 1949. Exports to the Soviet Union amounted to 11,400 tons, more than twice as much as shipments of 5,598 tons to the next largest outlet, Western Germany. Italy, with 3,736 tons was the next most important destination followed by Czechoslovakia with 3,578 tons.

IRAQI DATE OUTLOOK

Based on preliminary indications, the 1956 date crop in Iraq may be slightly smaller than the 1955 crop, which was estimated at 360,000 short tons.

The financial outlook for the Iraq Dates Trade Company which controls the export of Basra dates is somewhat improved. The organization's capital was doubled to \$2,800,000, and under the new three-year monopoly agreement concluded in February, prices to be paid to growers were reduced 30 percent. By the end of the first quarter of 1956 the company had sold its share of the 1955 crop and had made a little headway in disposing of the surplus from the 1954 crop, but none with the surplus from 1953. The Central Area Dates Trading Company had, by mid-April, exported about 45 percent of its 1955 crop.

Progress has been reported in the development of markets and uses for dates. Pakistan has agreed to import about \$420,000 of dates on the condition that Iraq buy an equal value of Pakistan products. Japan has authorized the importation of 5,500 short tons of Iraqi dates, and Germany temporarily abolished the import duty on dates. The Iraqi Development Board has begun the preparation of plans for a date syrup and sugar plant with an annual capacity of 26,000 short tons of dates.

TURKISH RAISIN SITUATION

According to very preliminary reports from Turkey, a 1956 raisin crop of upwards of 75,000 short tons is in prospect, barring unfavorable weather. The 1955 crop, a short one, has been estimated at 44,000 tons, in comparison with 72,000 tons in 1954 and the 1949-53 average production of 74,000 tons.

Exports from the 1955 raisin crop through March 1956 totalled 21,644 short tons, compared with 40,544 tons exported in the like period of 1954-55. The average export value per ton of raisins has been \$252 so far this season, or 30 percent higher than the average export value of \$193 per ton in the corresponding months of the previous season. The official rate of exchange was used in computing these values.

Unsold stocks at the beginning of April reportedly amounted to only 5,500 tons. Wholesale Turkish prices for No. 9 grade raisins have generally fluctuated between 15.4 and 16.4 cents per pound in recent months.

MEXICO FORECASTS
RECORD WHEAT CROP

The 1956 wheat crop in Mexico is tentatively forecast at about 37 million bushels. This is an increase of 18 percent over the previous record harvested last year and is considerably more than double the 1945-49 average. The increase is attributed to somewhat higher yields as well as increased acreage. Factors mentioned as contributing to the higher yields were: use of improved seed, increased use of fertilizer and favorable weather conditions throughout the season.

Weather conditions were reportedly favorable in all areas except part of Sinaloa, where the crop was frost damaged. Production in the state of Sonora is turning out well and is now estimated to account for half of the total for the country. Harvesting of Mexico's record wheat crop began during the latter part of April, about a month later than usual. It is estimated that 65-70 percent of the total production will be hard wheat.

Harvesting of such a large crop is easing the tight supply situation of recent months. A crop of the size indicated would be sufficient to cover normal consumption requirements and allow for a reasonable carry-over. Imports in 1956 have been fairly heavy and it now appears that almost the full amount of about 3.7 million bushels called for under agreement with the United States Commodity Credit Corporation has been purchased. Mexican fluorspar was to be exchanged for the United States wheat.

Wholesale wheat prices reached a record level in November 1955, but registered some decline when imports eased the supply situation. As it became apparent that the crop is to be a large one, further declines occurred, bringing the price in some districts below the support price, which is the equivalent of \$1.99 per bushel.

A change in the support price policy for this season calls for limiting the country's purchases at support prices to the state of Sonora, whereas previously purchases had been made throughout the country. A further feature of the new policy provides that growers in Sonora may sell only to CEIMSA, the semi-governmental agency in charge of regulating supplies of basic foodstuffs.

INDIA'S WHEAT HARVEST LARGE

The wheat harvest now nearing completion in India totals about 314 million bushels, on the basis of preliminary estimates. This is very slightly below the bumper crop in 1955 and is about 40 percent above the low level of the 1945-49 period. Preliminary estimates place wheat acreage at 30 million acres, which is 12 percent above the 1955 acreage. Yields, however, are somewhat below last year's high yields in the main wheat areas, which more than offsets the substantial acreage increase.

The reduced yields are due to unfavorable weather conditions during planting time and the growing season. Floods at seeding time last fall held up operations in the principal wheat growing areas. Slowly-receding flood waters delayed seeding for a month or more in many areas. By the middle of December, however, it was apparent that the acreage in wheat was considerably larger than in the preceding year, despite the delays. Lack of timely rainfall in some areas appears to have been a factor in the crop reduction, as were local windstorms and hail during late February. Stem rust was an added hazard in some areas.

Wheat prices are now above the prevailing level of a year ago, partly because of the added demand for wheat following the small crop of grain sorghums harvested last fall. That important food crop was sharply below average, thus adding to consumer demands for wheat.

Cereal consumption is high in India, normally accounting for over 60 percent of the calories in the diet. The most recent 5-year plan, however, calls for producing larger quantities of protective foods such as dairy products, fruits and vegetables, and poultry products.

Domestic requirements for wheat have been considered to be about at the 1955 level, but imports for the current season have continued at a moderate pace. Expected arrivals for the first 4 months of the 1956-57 marketing season are substantial, and it now appears that the annual requirement for wheat may have risen to about 335 million bushels.

PERU INCREASES CONDENSED
MILK IMPORT DUTY

Effective 30 days after its publication in the May 4, 1956 issue of "El Peruano", the specific import duty levied by Peru on condensed milk with a butterfat content of not less than 8 percent, will be raised from 0.01 to 0.30 soles per gross kilogram (from 0.07 cents to 2.09 cents per pound) gross weight. Since this item is included in the Peruvian-Chilean trade agreement, condensed milk from Chile will continue to enter duty free. During the past 2 years, however, Chilean Customs figures do not show any condensed milk shipments to Peru.

The basis of the duty increase is an agreement between the Government and Cia, Peruvia de Alimentos Lacteos, S.A., a local condensery which accounts for almost all of Peru's condensed milk production. The contract, signed in July 1940, states that the import duty on condensed milk is to be increased when the local producer can satisfy domestic requirements. The Ministry of Agriculture has reported that current production is now sufficient to cover the country's normal requirements.

Peru imported 868,000 pounds of condensed milk in 1953 but halved this figure the following year. Preliminary information indicates, however, that 1955 imports will approximate the 1953 figure. Netherlands, the major supplier of condensed milk to the Peruvian market, exported 696,000 pounds to Peru during the first 11 months of 1955.

SPAIN: A POSSIBLE MARKET
FOR U.S. SHELL EGGS

It appears that during the fall months of 1956 Spain will again face a shortage of eggs and that it will find it advantageous to import.

Wages have continued to increase and the demand for U.S. imported poultry products in 1956 might be stronger than in 1955, when Spain purchased over 1 million dollars worth of shell eggs, from the United States.

COSTA RICA CHICK
IMPORTS, 1953-55

Chick imports from the U.S. have risen substantially during the past three years in Costa Rica. Of the 160,000 chicks imported in 1953, 81,025 were New Hampshires, 28,000 White Leghorns and 11,000 Hy-line. Of the 376,000 chicks imported in 1955, 81,000 were New Hampshires, 61,000 White Rocks, 56,000 Hy-lines, 45,000 White Leghorns and 38,000 Sex Link. In 1954 Costa Rica imported 167,000 chicks.

DANES STEP UP DAIRY ADVERTISING IN BRITAIN

The Danish Dairy Federation and The Danish Agricultural Information Office in London have announced that advertising of Danish dairy products on the United Kingdom market will be considerably accelerated in the coming weeks. The British housewife is to be bombarded with advertisements in newspapers, magazines, billboards, and bus cards on the superiority of Danish "Lur" Brand butter and other agricultural products. The advertising campaign will be tied in with the fact that 1956 is the 50th anniversary of the "Lur" brand and an attempt will be made to establish the brand name as a synonym for quality.

A fund of \$500,000 has been budgeted for the campaign. This money is to be expended outside of the present British Butter Information Council program, a cooperative advertising effort by Denmark, Australia and New Zealand to promote dairy products on the British Market (See Foreign Crops and Markets, June 14, 1954). Danish agricultural officials are quoted as stating that the Council's interests lie in overcoming the competition of substitutes, particularly margarine. The current campaign is being waged because of the increased competition for butter sales on the United Kingdom market, which has recently had butter imports from Norway, Finland, Sweden and Argentina.

DAIRY IMPORTS OF PAKISTAN DOWN IN 1955

Pakistan's annual milk production is estimated at 13.5 billion pounds for a population of over 78 million people. To supplement the domestic production about \$600,000 worth of dairy products were imported in 1955. Because of limited foreign exchange, imports make up a small part of dairy product consumption.

Imports of condensed and evaporated milk totaled 2.5 million pounds in 1955, five times the 1954 figure. The overall import of dairy products in 1955, however, was lower than the previous year, largely due to a 95 percent reduction in dried whole milk imports. In 1955 imports amounted to only 162,000 pounds as compared to 3.4 million pounds in 1954. Cheese imports declined more than 50 percent to less than 70,000 pounds.

The United States continued to be the major supplier of dairy products to Pakistan in 1955, but on a volume basis commercial shipments were 40 percent lower than the previous year due to Pakistan decreasing its American cheese and dried whole milk intake.

WORLD BUTTER AND CHEESE PRICES

DAIRY PRODUCTS: Wholesale prices at specified markets with comparisons

(In U. S. Cents Per Pound)

Country, market and description	Butter				Cheese			
	Date 1956	Price	Quotations		Date 1956	Price	Quotations	
			Month earlier	Year earlier			Month earlier	Year earlier
United Kingdom (London)								
New Zealand finest grade.....	May 3	36.2	40.2	42.8	-	-	-	-
New Zealand finest white.....	-	-	-	-	May 3	31.8	33.8	18.9
Australia (Sydney)								
Choicest butter.....	Apr. 27	45.3	45.3	41.8	-	-	-	-
Choicest Cheddar.....	-	-	-	-	Apr. 27	27.5	27.5	25.7
Irish Republic (Dublin)								
Creamery butter (bulk).....	Apr. 27	48.9	48.9	48.9	-	-	-	-
Cheese.....	-	-	-	-	Apr. 27	30.8	30.8	30.8
Denmark (Copenhagen)								
	Apr. 26	42.9	50.5	43.9	-	-	-	-
France (Paris)								
Charentes Creamery butter....	Apr. 30	84.6	83.3	71.6	-	-	-	-
Germany (Kempten)								
Markenbutter.....	Apr. 25	66.2	67.9	65.4	-	-	-	-
United States								
92-score creamery (N. Y.)....	May 4	59.4	57.9	57.9	-	-	-	-
Cheddar (Wisconsin).....	-	-	-	-	May 4	34.7	33.1	32.9
Netherlands (Leeuwarden)								
Creamery butter.....	Apr. 28	49.3	49.3	48.6	-	-	-	-
Full cream Gouda.....	-	-	-	-	Apr. 20	23.0	24.0	24.5
Edam 40 percent.....	-	-	-	-	Apr. 20	20.8	21.7	21.8
Belgium (Hasselt)								
	Apr. 26	73.4	79.0	77.3	-	-	-	-
Canada (Montreal)								
1st grade creamery.....	Apr. 21	58.2	58.4	59.2	-	-	-	-
Ontario white.....	-	-	-	-	Apr. 21	30.2	30.2	30.4

Sources: Intelligence Bulletin, The Commonwealth Economic Committee; U. S. Consular Reports; and The Dairy Division, Agricultural Marketing Service, U.S.D.A.

BRAZIL INCREASES DAIRY IMPORTS DURING 1955

Although dairy imports in Brazil are of relatively minor importance, they showed a sharp rise during 1955. Imports of dry milk, the most important dairy import, totaled almost 9.6 million pounds in 1955, and doubled Brazil's intake of the previous year. Denmark supplied 92 percent of Brazil's dry milk intake in 1954 and continued to be the largest supplier in 1955. The United States, however, supplied 3.6 million pounds in 1955, making Denmark's position less favorable as a dry milk supplier.

Brazil did not import any cheese during 1955. In the previous year it imported a total of 88,000 pounds from Argentina and Western European suppliers. Brazil imported 419,000 pounds of butter from the United States, its only supplier in 1955. During the previous year, 13,000 and 1,000 pounds were imported from the United States and Denmark. The Netherlands supplied 9,000 pounds of canned milk during 1955 and the United States shipped a token amount to Brazil. During 1954, Brazil did not import canned milk.

Exchange restrictions present a barrier to increased United States commercial shipments of dairy products to Brazil. The free rate of exchange in March was about 72 cruzeiros to the U.S. dollar. Under the auction system of exchange in Brazil, however, dairy products fall into different categories with varying rates of exchange. On March 20, 1956, dried whole milk, in Category I, carried an exchange rate of 110 Cruzeiros to the U.S. dollar, non-fat dry milk solids, in the fourth category, carried an exchange rate of 273 Cruzeiros to the dollar, and butter in the luxury class, carried an exchange rate of 320 Cruzeiros to the U.S. dollar.

REPUBLIC OF GERMANY
1956 DAIRY FORECAST

Cow's milk production in the Republic of Germany is forecast at 37.7 billion pounds for 1956 by the Federal Ministry of Food, Agriculture, and Forestry. This represents about a 1 percent increase over last year's production, when the summer drought placed milk production slightly under that of 1954. A rise in production per cow is expected to more than offset a decline in cow numbers, thereby justifying the increased production forecast. Factory butter and cheese output this year will approximate that of 1955.

If the present consumption level for butter and cheese continues, import requirements will be up in 1956. In order to keep the present supply level, about 77 million pounds of butter and 15.4 million pounds of cheese will be needed to supplement domestic production.

MEXICO'S 1955 TRADE IN DAIRY PRODUCTS

Over-all imports of dairy products in Mexico during 1955 were approximately 12 percent above 1954. The largest increase occurred in evaporated milk which was up 39 percent and amounted to 14.0 million pounds, nearly all of which came from the United States. Total dried milk imports were 6.7 million pounds, compared with 6.4 million pounds in the preceding year. During 1955, most of these supplies came from the United States. A 15 percent decline for cheese and 28 percent for fresh milk were the only decreases in imports in 1955.

Imports of dairy animals were 5,123 head, compared with 1,911 head in the earlier year. The United States supplied approximately 95 percent of 1955 imports. It has been reported that arrangements have been made to import about 4,000 head from Canada during 1956. Dairy men have been showing considerable interest in herd improvement and this could bring about additional imports of dairy animals.

Exports of dairy products from Mexico are relatively small and in 1955 consisted almost entirely of canned milk - 58 million pounds compared with 39 million pounds a year earlier.

FLUID MILK SUBSIDIZED IN URUGUAY

Conaprole, a Government sponsored dairy cooperative operating in Montevideo, collected, processed, and distributed 37 percent of the 1.2 billion pounds of milk produced in Uruguay during 1955. Conaprole purchases milk from an area within a radius of 93 miles of the capital city, transporting over 97 percent into the city by truck and the remainder by rail.

The cost of producing one hundred pounds of milk is estimated at \$2.71, and the cooperative pays the farmer \$2.99 per cwt. for milk. Pasteurizing and distribution costs amount to about 2.25 cents per quart, bringing the total cost to the cooperative to 8.68 cents per quart. The only profit appears to be about 60 percent of the Government subsidy of 1.25 cents per quart paid to Conaprole. The retail cost of milk, delivered to homes in Montevideo, is 8.16 cents per quart. These costs and prices are expected to remain stable during 1956.

Conaprole controls the entire pasteurized milk supply in Montevideo and during the flush season, sells ice cream, butter, cheese and other dairy products.

POULTRY IN INDONESIA, 1956

Recent estimates by the Indonesian Ministry of Agriculture indicates that there are 60 million hens in Indonesia. Unfortunately 30 million birds a year are lost from virus diseases alone. In spite of this, increased poultry production and consumption is being sought by the Government as a means of increasing the Indonesian people's protein intake.

CANADA'S 1955-56 WHEAT AND FLOUR EXPORTS EXPECTED
TO EXCEED 1954-55 LEVEL BY SUBSTANTIAL MARGIN

Canadian exports of wheat and flour during the current 1955-56 (July-June) marketing season are now expected to exceed 275 million bushels compared with the 254 million bushels exported in 1954-55. If sufficient ocean-going vessels become available, it is quite possible that exports will exceed the estimated level by as much as 15 to 20 million bushels.

Canada's official trade statistics show that exports during the first 8 months (July-February) of the current season amounted to only 158 million bushels compared with 173 million bushels grain equivalent during the corresponding 8 months of 1954-55. Semi-official and trade reports indicate, however, that during March, April and May this year exports may have reached as high as 90 million bushels compared with only 60 million during the same 3-months period last season. The sharp upward trend is attributed mainly to large sales to Iron Curtain countries, notably Poland, and to increased shipments to Western European markets following the severe winter freeze last February.

Of the 158 million bushels exported during the 8-months period ending February 1956, shipments in the form of wheat amounted to 134 million bushels and those in the form of wheat to 24 million. In the same 8-months period a year ago, when the quantity moved into export channels totaled 173 million bushels, wheat exports amounted to 146 million and flour to 27 million bushels grain equivalent.

The indicated lower level of exports during the first 8 months of 1955-56 compared with those for the same period a year ago was due mainly to reduced shipments to the United Kingdom, the Netherlands, West Germany, Yugoslavia, the Philippines. Belgium-Luxembourg, Switzerland, Lebanon and India. The only countries taking substantially increased quantities were Poland, Japan, the United States and Italy. The bulk of the exports to the United States consisted of wheat unfit for human consumption and intended for livestock feed.

Canadian Exports of Wheat and Flour During Stated Periods

Destination	July-February 154-55			July-February 1955-56		
	Wheat	Flour	Total	Wheat	Flour	Total
	(Thousands of bushels, grain equivalent)					
Western Hemisphere						
United States.....	2,420	332	2,752	4,991	496	5,487
Central America.....	34	1,306	1,340	57	1,322	1,379
British West Indies....	18	3,297	3,315	23	3,551	3,574
Cuba.....	739	579	1,318	228	421	649
Other Caribbean.....	6	615	621	2	879	881
Colombia.....	1,394	690	2,084	-	174	174
Venezuela.....	20	2,604	2,624	55	2,578	2,633
Ecuador.....	1,085	5	1,090	825	-	825
Peru.....	-	44	44	210	32	242
Others.....	-	257	257	-	194	194
Total.....	5,716	9,729	15,445	6,391	9,647	16,038
Europe						
Norway.....	2,820	-	2,820	2,412	-	2,412
United Kingdom.....	62,048	9,428	71,476	57,762	7,034	64,796
Ireland.....	1,911	-	1,911	1,997	-	1,997
Netherlands.....	9,591	3	9,594	4,743	1/	4,743
Belgium-Luxembourg....	11,269	-	11,269	8,041	188	8,229
West Germany.....	17,688	340	18,028	13,704	207	13,911
Austria.....	782	-	782	1,739	-	1,739
Switzerland.....	5,124	-	5,124	3,058	-	3,058
Poland.....	-	-	-	6,170	-	6,170
Malta.....	740	-	740	1,190	-	1,190
Italy.....	637	88	725	2,439	166	2,605
Yugoslavia.....	3,620	9	3,629	-	7	7
Others.....	330	154	484	368	185	553
Total.....	116,560	10,022	126,582	103,623	7,787	111,410
Asia						
Lebanon.....	3,000	86	3,086	-	108	108
Israel.....	-	-	-	724	-	724
India.....	1,835	1/	1,835	-	-	-
Hong Kong.....	-	698	698	383	404	787
Japan.....	15,941	681	16,622	19,003	470	19,473
Philippines.....	-	3,759	3,759	-	3,376	3,376
Others.....	299	594	893	691	741	1,432
Total.....	21,075	5,818	26,893	20,801	5,099	25,900
Africa						
Libya.....	224	-	224	-	-	-
British West Africa....	-	840	840	-	895	895
Union of South Africa..	1,920	-	1,920	2,443	-	2,443
Belgian-Congo.....	-	488	488	-	558	558
Others.....	591	81	672	350	109	459
Total.....	2,735	1,409	4,144	2,793	1,562	4,355
Oceania.....	-	64	64	-	71	71
World Total.....	146,086	27,042	173,128	133,608	24,166	157,774

1/ Less than 500 bushels.

TANGANKIRA FINAL GROUNDNUT
SCHEME REPORT INDICATES PROGRESS
IN BEEF CATTLE, TOBACCO AND PEANUTS

The Overseas Food Corporation's report for the year ending March 1955, reports progress toward further development of flue-cured tobacco, beef cattle and increased yields of peanuts in Tanganyika by African farmers under the original famous Groundnut Scheme. This is the last report of the corporation, which is being dissolved with the remaining assets and physical plant being transferred to a Tanganyika Government corporation for work on a smaller and more diversified scale. The report states there is good probability of consolidating use of the original areas, Urambo, into an economic communal enterprise based on the production of flue-cured tobacco. Experience gained in African cattle ranching at Kongwa (headquarters of the groundnut scheme) has indicated the potentialities of beef production in that area. The main crop at Nachingwea continues to be peanuts. Improved techniques and other factors are stated to account for a yield of 1 thousand pounds of shelled nuts per acre. The annual deficit for the corporation was reduced to \$524,000 in 1954-55 in contrast with \$6,440,000 in 1951-52.

PERU'S 1955-56 COTTON
EXPORTS INCREASE

Cotton exports from Peru during the first 7 months (August-February) of the 1955-56 marketing year amounted to 248,000 bales (500 pounds gross) increasing 28 percent from exports of 193,000 bales in the comparable period of 1954-55. Chile continues to be the major destination of Peruvian cotton in the current period, with the United Kingdom, Western Germany, and Belgium also taking sizeable amounts. Exports to the United States, mostly of the extra-long staple varieties, Pima and Karnak, did not increase during the current period.

Principal destinations of August-February 1955-56 exports, with comparable 1954-55 figures in parentheses were: Chile 53,000 bales (37,000); United Kingdom 37,000 (25,000); Western Germany 32,000 (21,000); Belgium 23,000 (24,000); United States 21,000 (21,000); France 17,000 (12,000); Netherlands 17,000 (6,000); Colombia 12,000 (5,000); and Japan 11,000 (10,000).

Latest estimates of Peru's 1955-56 cotton crop are for production of 500,000 bales, a slight increase from the 495,000 bales produced in 1954-55. This compares to the more pronounced increases shown in the 3 previous years. Production in 1951-52 was estimated at 429,000 bales; 1952-53 at 450,000; and 1953-54 at 475,000. No appreciable increase is anticipated for the 1956-57 crop. Production by principal varieties in the last 5 years is estimated on the following page.

PERU: Production of cotton by major variety groups,
crop year 1951-55

(Thousands of bales of 500 pounds gross)

Variety	Year beginning August 1				
	1951	1952	1953	1954	1955
Tanguis.....	385	386	424	403	423
Pima, Karnak and other.....	44	64	51	92	77
Total.....	429	450	475	495	500

Cotton consumption in Peru amounted to 80,000 bales in 1954-55 as compared with 65,000 in 1953-54. Consumption during the early months of 1955-56, reportedly is about 10 percent higher than last year as the result of an increased tariff on imports of cotton goods, and an expanded program of modernization by the cotton spinning industry. Sharply increased numbers of improved looms and other textile machinery have been imported to replace old equipment rather than to establish new plants. The introduction of equipment for the use of Pima cotton within the last few years has resulted in consumption of between 1,000 and 2,000 bales annually beginning in 1953-54.

The unusually heavy inventories of Tanguis cotton held at the beginning of the current marketing year have been reduced by the recent increase in exports. Total stocks on August 1, 1955, were estimated at 325,000 bales, the highest since 1947, and 23 percent more than stocks of 265,000 bales held a year earlier. Mid-season stocks on March 1, 1956, based on production and apparent disappearance, were reduced to about the same level as those held a year ago.

The average price for Tanguis, Type 3 $\frac{1}{2}$, during January-March 1956 was 4 percent below the corresponding period of 1955, and that for Pima, Type 1, was 3 percent less. Prices declined somewhat in March, but recovered in April and May to slightly below the February peak. Quotations for spot cotton on May 11, 1956, were as follows:

Peru: Cotton prices at Lima, May 11, 1956
(U. S. cents per pound)

Variety and grade	Spot quotation	Export tax	Total
Tanguis, Type 3 $\frac{1}{2}$	31.66	7.06	38.72
Tanguis, Type 5.....	30.36	5.75	36.11
Pima, Type 1.....	42.30	12.68	54.98

The cost-of-production allowance for the 1956 crop of Tanguis cotton, announced by the Government March 29, 1956, remained unchanged from last year at 500 soles per quintal (25.95 U. S. cents per pound). Peru's cotton export tax is based on the difference between prices received by farmers and the cost-of-production allowance. The tax therefore fluctuates according to the current price. Announcement of the 1956 Pima allowance will be made later. The 1955 allowance was 600 soles per quintal (31.14 cents per pound).

PAKISTAN INCREASES COTTON EXPORTS

Cotton exports from Pakistan during the first 7 months (August-February) of the 1955-56 marketing year amounted to 433,000 bales (500 pounds gross), representing an 80 percent increase over exports of 239,000 bales in August-February a year ago. Increases were shown for all major destinations with the exception of Hong Kong.

Exports to principal destinations during August-February 1955-56 with comparable 1954-55 figures in parentheses were as follows: Japan 149,000 bales (104,000); China 72,000 (26,000); France 47,000 (16,000); United Kingdom 34,000 (24,000); Hong Kong 25,000 (41,000); Italy 23,000 (4,000); Western Germany 23,000 (2,000); United States 18,000 (5,000); and Australia 18,000 (4,000).

Returns from ginning and pressing factories and arrivals of baled cotton in the main markets indicate an increase in the 1955-56 crop to 1,343,000 bales or 3 percent higher than the 1954-55 crop of 1,300,000 bales. Most of this year's crop had been marketed by the end of March and initial land preparations for planting the 1956-57 crop had been started in some areas. No indications of acreage expansion have been reported thus far. Varieties of cotton produced in the last 2 years are estimated as follows:

PAKISTAN: Principal varieties of cotton produced in crop years
1954-55 and 1955-56

(Bales of 500 pounds gross)

Variety	Year beginning August 1	
	1954	1955
4F Punjab.....	204,000	229,000
LSS Punjab.....	253,000	273,000
289F Punjab.....	253,000	343,000
289F Sind.....	433,000	396,000
Punjab Desi.....	51,000	51,000
Sind Desi.....	51,000	51,000
Total.....	1,245,000	1,343,000
1/ Total revised to 1,300,000 bales, but no variety breakdown available.		

Cotton mills in Pakistan reportedly were working at full capacity in recent months. Consumption during August-February 1955-56 amounted to approximately 500,000 bales or 32 percent higher than the 380,000 bales consumed in the similar 7-month period of 1954-55. Total consumption in 1954-55 amounted to 675,000 bales as compared with 440,000 in 1953-54. Exports of cotton yarn (mostly 20s and some 30s) amounted to 9.5 million pounds during the 7 months August-February 1955-56, with Hong Kong taking 70 percent of the total.

Average monthly cotton prices in Pakistan rose generally during January-March 1956 under influence of good export sales and a high offtake by local mills. The announcement of the new United States cotton export policy at the end of February caused a temporary setback in prices, but the market soon recovered and the upward trend continued. Spot cotton quotations at Karachi on recent dates were as follows:

PAKISTAN: Cotton spot quotations at Karachi on specified dates				
Variety and grade	1956			
	Jan. 5	March 8	May 17	
	:(U. S. cents per pound including export taxes) <u>1/</u>			
4F Punjab, SG, Fine.....	26.50	28.03	30.71	
289F Sind, SG, Fine.....	28.41	30.33	32.37	
289F Sind, RG, Fine.....	27.39	28.67	31.09	
289F Punjab, SG, Fine.....	29.43	31.48	34.03	
Sind Desi, Fine.....	20.18	23.37	28.73	
Punjab Desi, Fine.....	18.78	22.22	27.20	
<u>1/</u> Export duties for Desi cotton 3.21 U. S. cents per pound, all others 7.23 cents per pound.				

Pakistan's cotton stocks on August 1, 1955, were estimated at 235,000 bales or about 10 percent lower than stocks of 260,000 bales a year earlier. Mid-season stocks on February 28, 1956, based on the indicated production, consumption, and exports, would amount to about 650,000 bales as compared with 950,000 bales a year earlier.

EGYPT TO SELL COTTON IN GOVERNMENT OWNED STOCKS AT AUCTION

The Government of Egypt announced April 30, 1956, that beginning on that date the Government-owned stocks of cotton would be sold at auction but only for dollars or sterling. Quantities available as of May 5, 1956, were reported to be about 93,000 Egyptian bales, consisting of about 41,000 bales of Karnak (FG plus $\frac{1}{4}$ and above); 25,000 bales of Giza 30 (G plus $\frac{1}{4}$ and below); 22,000 bales of Ashmouni (around FG); and 5,000 bales of Menoufi (around G/FG). These stocks will be sold at auction and the cotton must be exported by the end of August 1956.

Minimum acceptable prices will be closing prices for deliveries under futures contracts in the Alexandria Futures Market on certain selected recent dates. Prices have risen somewhat since these dates and the minimum prices are therefore below current levels. Prices to be accepted at the auctions are expected to more nearly approach those of the free market.

DOMINICAN REPUBLIC PROGRESSES IN SELF-SUFFICIENCY PEANUT OIL GOAL

The Dominican Republic is proceeding rapidly and successfully toward its goal of self-sufficiency in peanut oil. This oil has gained wide-spread acceptance, partly through a trade policy that affected imports of other fats and oil for human consumption.

The recent significant expansion which has occurred in the production of peanuts, peanut oil and peanut cake is attributed almost solely to the country's only oil mill. In addition to donating to farmers all their required seed and bags, the company maintains a farm machinery pool (mainly tractors) for their use at advantageous rates. Moreover, special financing is available to them to facilitate their purchase of machinery.

The peanut area increased from 86,485 acres in 1954 to 116,135 acres in 1955. Production in 1955 increased to 57,870 short tons. Peanut oil production has increased from 6,300 tons in 1953 to almost 9,800 tons in 1955. Some 10,500 tons are forecast for 1956.

The oil mill has built and is now operating a livestock feed mill, actually a complementary operation that makes use of peanut cake from the company's oil extraction operation. Production of peanut cake has expanded with the rise in output of oil--from 8,945 tons in 1953 to 13,975 tons in 1955. Exports of peanut cake amounted to 10,968 tons during January-September 1955 (latest available) and 12,327 tons in the year 1954.

INDONESIA'S COPRA EXPORTS DOWN ONE-HALF; PALM OIL EXPORTS DOUBLED

Indonesia's exports of copra during January-March 1956 totaled 26,548 long tons. This was roughly one-half the 51,094 tons exported in the same period of 1955. Shipments by months were as follows: January- 7,221 tons; February- 8,261; and March- 11,066 tons.

Exports of palm kernels during the first 3 months of the current year at 29,068 short tons were almost double the 16,938 tons shipped in the comparable months of 1955. Palm kernel exports were somewhat less than in 1955--8,661 tons compared with 9,956 tons.

VENEZUELAN CATTLEMEN DISCUSS EGG PRODUCTION

The seventh convention of Venezuelan cattlemen closed after a three day session on April 19, 1956. The cattlemen in their sessions passed a number of resolutions. One was to the Government asking them to give immediate attention to increasing egg production and to defend national production against foreign competition by means of protection. These recommendations were presented even though no poultrymen were present.

WESTERN GERMANY EXPECTS TO IMPORT MORE OILSEEDS, VEGETABLE OILS THIS YEAR

Forecasts of imports during 1956 into the Federal Republic of Germany indicate that purchases of oilseeds and vegetable oils might increase further at the expense of lard and marine oil imports. The German oil-milling industry recently stated that it expects to process during 1956 about 5 to 10 percent more oilseeds than the 1.1 million short tons processed in 1955. As domestic production of oilseeds is not expected to increase substantially this year, the higher raw material requirements of the oil millers must be covered entirely by imports.

Western Germany's foreign trade in fats and oils (excluding butter and slaughter fats) in 1955 increased considerably from 1954. Imports totalling 1.7 million tons increased 13 percent and exports at 122,490 tons increased 25 percent. The total share of the United States as a supplier increased from 19 percent in 1954 to 29 percent in 1955 due to further German dollar liberalization and favorably priced offers of U. S. Government stocks. German exports to the United States, mainly vegetable oils, decreased to insignificance, amounting to less than 2 percent of the total exports compared with 7 percent during 1954.

Table 1 - FEDERAL REPUBLIC OF GERMANY: Foreign trade 1954 and 1955, total and U. S. share

	1954			1955		
	Total	U. S. Share		Total	U. S. Share	
	Short tons	Short tons	Percent	Short tons	Short tons	Percent
<u>Imports</u>						
Oilseeds	881,873	227,705	25.8	1,082,789	383,942	35.5
Vegetable oils	397,601	30,113	7.6	467,570	86,466	18.5
Fatty acids, glycerine	11,283	1,627	14.4	15,937	1,922	12.1
Hardened fats and oils	2,479	15	0.6	8,317	33	0.4
Marine fats and oils...	255,505	37,677	14.7	174,100	35,031	20.1
Total.....	1,548,741	297,137	19.2	1,748,713	507,394	29.0
<u>Exports</u>						
Oilseeds.....	1,845	-	-	1,410	134	9.5
Vegetable oils.....	23,188	6,724	29.0	20,737	2,034	9.8
Fatty acids, glycerine	56,321	-	-	74,954	-	-
Hardened fats and oils	8,446	-	-	8,419	-	-
Marine fats and oils...	8,430	50	0.6	16,971	-	-
Total.....	98,230	6,774	6.9	122,491	2,168	1.8

Compiled from official sources.

As in earlier years, most of the imports of oilseeds, fats and oils were used for the production of margarine. Following market trends, imports of margarine raw material increased from 766,000 tons, oil equivalent basis, in 1954 to about 826,700 tons in 1955. Reflecting increasing consumer demand for high quality margarine, utilization of marine oils for margarine decreased from about 40 percent of all raw materials in 1954 to 30 percent in 1955. As a result of this trend, marine oil imports for food decreased significantly. Major suppliers of marine oils were Norway, the United States, Panama and Japan.

Oilseeds continued to be of major importance in regards to imports in the fats and oils category. Soybeans, copra and palm kernels were the principal items, accounting for 85 percent of the total oilseeds. The main supplier was the United States, which shipped three-fourths of the soybeans. Copra came mainly from the Philippines and palm kernels from Nigeria.

Major items in the vegetable oil imports, and the major suppliers, were: linseed oil (mostly for industrial use)--largely from Argentina and the United States; palm oil--Belgian Congo and Indonesia; peanut oil--India; and cottonseed oil--the United States and Belgium.

Although German exports of fats and oils in 1955 were considerably higher than in 1954, the pattern continued similar to earlier years. The main export commodities were fatty acids, with Italy and the Netherlands the principal purchasers, vegetable oils, a good part of which represented re-exports, and marine fats and oils.

The production of edible fats and oils from domestic sources reached a new post war high in 1955, surpassing the preceeding year by about 3 percent. Higher production of vegetable and marine oils and, in particular, slaughter fats, more than offset the decrease in butter production.

Domestic production, as given below, covered about 40 percent of total 1955 edible fat requirements, as compared with 43 percent in 1954. As in earlier years, butter and slaughter fats accounted for over 90 percent of the total domestic edible oil supply.

Table 2 - FEDERAL REPUBLIC OF GERMANY: Edible fats production, pure fat equivalent, from domestic sources 1954 and 1955

Item	1954	1955
	1,000 short tons	1,000 short tons
Vegetable oils.....	7.3	8.5
Marine oils.....	31.4	32.7
Slaughter fats.....	253.3	283.2
Butter.....	306.5	294.6
Total.....	598.5	619.0

Compiled from official sources.

Domestic production of oilseeds in 1955 was about one-fifth higher than in 1954. The minimum winter kill of fall-seeded rape and the continuance of government guaranteed fixed prices and take-over quotas led to an increase in the oilseed area.

Production of edible fats other than butter, lard and tallow continued to trend upward in 1955. Higher consumer demand for margarine, as a substitute for expensive butter, and increasing requirements of food processors for table oil stimulated the production of these products, the higher output of which more than offset the slight decrease in shortening production.

Table 3 - FEDERAL REPUBLIC OF GERMANY: Oilseed acreage and production 1954 and 1955

Oilseed	Area		Production	
	1954	1955	1954	1955
	1,000	1,000	1,000	1,000
	acres	acres	short tons	short tons
Rapeseed.....	22.5	29.6	16.9	23.1
Poppyseed.....	2.5	1.7	1.3	1.0
Mustard seed.....	1.0	1/	.6	1/
Flaxseed.....	8.1	8.2	2.9	2.4
Hempseed.....	2.0	1.5	.8	.6
Total.....	36.1	41.0	22.5	27.1

1/ Because of insignificance, the 1955 mustard seed has not been reported officially.

Compiled from official sources.

Visible stocks of edible fats and oils as of January 1, 1956, estimated at 200,000 tons, were about one-fifth larger than a year earlier, mainly due to the substantial increase in margarine raw material stocks with the oil millers. Based on the estimated 1955 per capita consumption of fats, January 1956 stocks would cover a 51-days supply as compared with 45 days at the beginning of 1955.

Edible fat consumption, estimated at 1.4 million tons pure fat equivalent, exceeded 1954 consumption by about 5 percent. The pattern of Western German total fat supply continued similar to preceding years--22 percent butter, 25 percent slaughter fats and 53 percent margarine, shortening and table oil. Per capita consumption is estimated at 25.1 kilos (55.3 pounds) against 24.2 (53.4) in 1954.

The factors which stimulated the 1955 market of edible fats, other than butter and slaughter fats, were: (1) the continuing population increase, (2) growing purchasing power, and (3) stable, slightly downward tending prices--in contrast to high and even increasing butter prices.

U. S. HATCHING EGGS TO VENEZUELA

The Protinal Feed company, owning Venezuela's largest commercial hatchery, imported via the S. S. Norlantic, almost 11,000 hatchings eggs from the United States. This was made possible by the Venezuelan Government announcing recently that 500,000 hatching eggs can be imported from July 1 to September 30, 1956. (see "Venezuela Chick and Hatching Egg Imports Authorized for Third Quarter, 1956" in the May 28, 1956 issue of Foreign Crops and Markets.

AUSTRALIA INCREASES "FREE" BEEF
EXPORT QUOTA

The British Ministry of Agriculture, Fisheries and Food has agreed to allow Australia to export an additional 5,000 tons of beef this year to markets outside the United Kingdom and other British areas. This brings the maximum shipments of beef under the "free quota" during the 1955-56 meat year to 15,000 tons. Until now the 15-year meat agreement between Australia and the United Kingdom has allowed a "free quota" of only 10,000 tons.

The liberalization of the beef export movement has come at a time when frozen beef from Australia is selling at lower prices than a year earlier. In recent weeks frozen beef in the United Kingdom has been selling for around 5 cents per pound below the price guarantees provided by the 15-year meat agreement. Prices in United Kingdom markets have been unsatisfactory since last December.

The Australian Meat Board announced an export bounty equivalent to around 2 cents per pound on first and second quality steer, heifer and cow beef delivered into storage from April 16 until June 30, and terminated the export levy on such beef of about 1/8 cents per pound. The depressed prices in Britain are attributed to large production of home-produced meat and the regular arrival of substantial shipments of chilled beef from Argentina.

Exports of beef and veal from Australia during the 9 months ending March 31, 1956 totaled 109,046 long tons or 13 percent more than a year earlier. During recent months Greece has imported 1,000 tons of beef under the "free quota". The Philippine Republic and Italy have increased their purchases in Australia.

URUGUAY'S TALLOW PRODUCTION DOWN IN 1955

Production of tallow in Uruguay in 1955 was estimated at about 60 million pounds, or considerably less than the 73 million pounds produced in 1954. The lower production of tallow last year reflected the continued shortage of slaughter animals as well as production losses resulting from strikes by the frigorifico workers. Due to the resulting shortage of animal fats, the Government prohibited exports of animal fats during 1955.

About one-fifth of the tallow produced in Uruguay is inedible, the bulk of which is consumed by the soap industry. Uruguay exported about 4 million pounds of tallow in 1954, mainly edible, but none in 1955. No exports are in prospect for 1956.

Tallow supplies in 1956 may be larger than in 1955 due to an increased number of cattle available for slaughter. This may not materialize, however, as strikes in progress as of the middle of May have completely paralyzed the entire meat packing industry.

Uruguay also produced about 3 million pounds of lard in 1955 and no change is expected this year. Uruguay exported about 150,000 pounds of lard in 1954. Indications are that a somewhat larger quantity of lard may be exported in 1956.

PRODUCTION AND INCREASED IMPORTS OF MEAT IN U. K.

Meat consumption in the United Kingdom is almost approaching the pre-war levels. The production and imports of meat during the first three months of the current year were 6 percent higher than during the same period of 1955. Most of the imports come from Argentina.

The government has warned the domestic producers of the increasing competition from overseas shipments of New Zealand lamb and chilled beef from Australia and Argentina. As a result of the settlement of the water front strike more Australian chilled beef will be shipped but the major threat to home markets is Argentina's increased shipments of about 6,500 tons weekly. The complaints of the home producers that large beef imports from Argentina are reducing prices made little impression to the Ministry of Agriculture. The reply was the government no longer buys meat and that there are no obstructions to free trading.

Despite the risk of foot-and-mouth disease from Argentina the Minister stated that "in the case of South of American countries, there is no doubt that there is some evidence of risk still obtaining".

Imports of bacon from the Irish Republic reverted to private trade on May 1, and the Board of Trade has announced imports will be admitted without limitation of quantity under open individual licenses.

AUSTRALIAN GRAZING CONDITIONS
EXCEPTIONALLY GOOD

Favorable grazing conditions and other factors point to increased livestock numbers and production in Australia. Livestock enterprises have generally been very profitable during the last few years.

Wool prices have been favorable to producers. The fat lamb industry is growing with the increase in the acreage of improved pastures. This development is adding to the interest in beef cattle production. Some livestock producers have been affected by high costs and relatively low returns, but this has mainly been confined to ranchers who have started new enterprises at recent inflated prices.

Favorable rainfall during the past and current season has brought an abundance of feed and has encouraged sheep producers to increase their cattle numbers to more completely utilize grazing resources. Near elimination of rabbits with myxomatosis, fertilization and reseedling of pastures, and water development have greatly increased the carrying capacity of individual ranches.

Replacement sheep and cattle are selling at record high prices. The feed situation is exceptionally favorable and many graziers consider they are under-stocked. The pressure for expansion in numbers of livestock has tended to hold down slaughter at the present time, but will be reflected in increased meat production in the future.

DUTCH CATTLE FREE FROM
TUBERCULOSIS

Government officials in the Netherlands have reported the 3 million cattle in that country free from tuberculosis after a 5-year extensive testing and slaughter program. The program involved the elimination of 1-1/2 million head of cattle during the period. These reacted positively to T. B. tests.

The cost of the campaign was 100,000,000 gliders, half of which was paid from Marshall Aid funds and the other half by farmers and the industry in general. The successful completion of the T. B. campaign in animals has greatly reduced the danger of this disease to the people of the Nation. The T. B. mortality rate in the Netherlands last year was 6.6 persons per 100,000 inhabitants.

CANADIAN HOG PRICES LOWER

Hog prices at Toronto and Montreal dropped to the support level during early April, but by mid-May rose to slightly higher levels. Prices in the Canadian markets in mid-May were about equal to those in the United States. Prior to this period, prices in Canada had continued considerably above those in the United States. Hogs from the United States and uncooked pork products have not been permitted entry into Canada, since August 1952, because of the occurrence of VE disease of hogs in a few sections of the United States. Some pork products have been shipped to the United States.

Grade A hog carcasses at Toronto averaged \$24.25 per 100 pounds at Toronto, during the 4-day period ending May 17, or \$1.25 above the support price for that market provided by the Agricultural Prices Support Board of the Canadian Department of Agriculture. In addition to the market price there is a \$2.00 per 100 pound government premium on Grade A carcasses. No purchases have been made for price support purposes this year.

During the first 19 weeks of 1956 (through May 12) Canadian shipments of pork products to the United States were relatively small, totaling 16.5 million pounds, compared with 18.9 million in the same period of 1955. Only 379 hogs were shipped to the United States in the first 19 weeks of this year compared with 4,617 in the same period of 1955.

The tariff on imports of hogs from Canada is 1 cent per pound. The tariff on fresh or frozen pork, the largest item imported, is 1-1/2 cents per pound.

NEW MEAT LAW IN ARGENTINA

Argentina's law relating to the creation and operation of the National Meat Board, which has a wise impact on livestock production and marketing, was amended by a Decree published May 13, 1956 (No. 8509-56). The new legislation is basically the same as the law approved on October 7, 1933. Apparently the purpose of the new decree was to abolish a number of laws passed during the interim to meet specific problems.

The National Meat Board has a membership of 10 in addition to the honorary advisory committee. The President is appointed by the Ministry of Agriculture and Livestock. Four other members are appointed by other Ministries of the Federal Government. Five board members represent producers and are selected from 5 regions of the country. The honorary advisory committee, which may discuss issues and make recommendations but has no vote on the board, may be comprised of livestock commission agents, private livestock dealers and auctioneers, private packing plants, regional packers, meat peddlers, truckers, cooperatives or federations of consumers.

The National Meat Board was created to promote livestock production and control marketing of livestock and meat. Its aims are to increase consumption and prevent high prices to consumers and to promote exports. It has jurisdiction over the entire country.

The powers of the Board are far reaching. It has the authority to fix livestock and meat prices, grant licenses to packers and market agencies. It establishes classes and grades of livestock and meat both for domestic use and export. The Board recommends the quantities of livestock and meat products for export, sets export standards, promotes the creation of marketing facilities for livestock and meat, promotes domestic consumption, develops export markets, regulates shipments and controls shipping space. Other functions include the collection and publication of information on livestock marketings and prices within the country and on foreign sales.

To finance the activities of the Meat Board levies are made on cattle, sheep and hogs marketed by producers. The allowable assessment is up to 2-1/2 percent of the market value of all livestock sold.

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